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Letter from the Secretary of the Interior, transmitting, in answer to a resolution of the Senate of the 11th ultimo, correspondence with the Commissioner of Indian Affairs concerning the award of contract for the supply of blankets for the Indian service for the year 1889.

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LETTER

FROM

THE SECRETARY OF THE INTERIOR,

TRANSMITTING,

In answer to a resolution of the Senate of the 11th ultimo, correspondence with the Commissioner of Indian Affairs concerning the award of contract for the supply of blankets for the Indian service for the year 1889.

SEPTEMBER 5, 1890.—Laid upon the table and ordered to be printed.

DEPARTMENT OF THE INTERIOR,
Washington, August 30, 1890.

SIR: I have the honor to acknowledge the receipt of the Senate Resolution in the following words:

Resolved, That the Secretary of the Interior be directed to transmit to the Senate the correspondence between his office and that of the Commissioner of Indian Affairs concerning the award of contract for the supply of blankets for the Indian service for the fiscal year 1889.

In response thereto I transmit herewith a copy of a communication from the Commissioner of Indian Affairs and accompanying copies of the correspondence called for by the resolution. There is added the report of the then Commissioner, dated June 27, 1889.

The Commissioner states that he has reason to believe from conversation with the Senator who introduced the resolution, that it was intended to require the correspondence for the fiscal year ending June 30, 1890, and not that stated in the resolution. This response is upon this understanding.

These papers, it is believed, comprise all the correspondence in regard to the matter, except Indian Office letter of May 20, 1889, referred to in the Commissioner's communication. This letter is not of record in the Department. It was written by the then Commissioner (Mr. Oberly) from the New York warehouse and it has not been found. It was not copied in the letter-book kept at that place. The letter of May 14 it is thought was intended.

It will be perceived on page 6 of copy of Mr. Oberly's letter, dated "Warehouse, New York, 1889," that while he does not favor Mr. Dobson's bid he yet does not recommend its absolute rejection, under all circumstances, but suggests that if it is accepted upon the samples furnished (which he states were in every way suitable for the service and are of better quality "than the samples of the next highest bidder, and indeed of the highest bidder) that the interests of the Government might be protected by great carefulness in the inspection." He recommends that an inspector be appointed by the War Department, etc. On May 22 the then Acting Secretary, authorized the rejection

of all bids for blankets that were opened on the 23d of April and directed a new advertisement. This advertisement, as will be perceived by the letter of the then Commissioner of May 22, reserved the right to authorize the inspector to visit the mill at any time during the process of manufacture of the blankets.

On June 1, Mr. Dobson wrote to the Assistant Secretary of the Interior, then having the more immediate charge of this business, setting forth his bid as the lowest, in response to the advertisement of March 25, 1889, asserting that when the samples were submitted and examined those submitted by him were found to be the best and better adapted to the Indian service than the others, claiming the right to the award and proposing to comply with all the conditions of the new advertisement of May 22, and to make this latter advertisement as much a part of the contract as was the former advertisement of March 25. On June 6, 1889, the Secretary of the Interior made reference of this application to the Commissioner of Indian Affairs with instructions revoking the previous rejection of all bids for blankets, awarding the blanket contract to Mr. Dobson subject to the conditions of the advertisement for new proposals dated May 28, 1889, and to the propositions contained in the communication from Dobson, and it was therein stated that this action was taken because upon further and more careful consideration of the subject the Secretary was convinced that the award should have been made to Mr. Dobson, and as it was desirable and necessary to procure and deliver the blankets before the cold weather came unnecessary delay should be avoided.

Thereupon, according to the suggestions of the then Acting Commissioner of Indian Affairs, the advertisement of May 22 was discontinued and notice of such discontinuance given by publication.

The form of contract with Mr. Dobson is submitted as a part of the correspondence, in which the stipulations provided for in the advertisement of May 22, and offered to be accepted by him were incorporated. The Commissioner of Indian Affairs being then about to resign and having been granted a leave of absence to expire on June 30 (when his resignation would take effect), on June 27 made a report upon opening of bids and making of awards and contracts for supplies of the Indian service for the fiscal year of 1890—including several different subjects—among the rest that of “blankets”, and an extract from his report is also herewith sent. If the whole report is required it will be supplied; but it is deemed that no more is necessary at this time than that relating to the specific subject named. In this communication the outgoing Commissioner incorporates a protest against the action of the Secretary as to blankets, which is given at length. It will be perceived that in this letter (June 27, page 4, as copied), the then Commissioner states that he inclosed to the Secretary resolutions of the Board of Indian Commissioners advising him to authorize and direct a rejection of the bids for blankets and a re-advertisement for proposals—while the same Commissioner's letter of May 14 (as appeared on page 3, of the copy hereto attached), stated that the board advises as follows :

In view of the limited competition, that all proposals now received be rejected and that by re-advertisement a more general competition be invited or that the *lowest bid* now received, *be accepted*, a special inspector of blankets be appointed and the contractor be required to deliver blankets equal in all respects to the sample upon which the contract shall be awarded.

And as heretofore stated the Commissioner had himself suggested the propriety of taking the lowest—that of Mr. Dobson—upon certain conditions for the protection of the Government by greater carefulness

in the inspection. The Commissioner in this report anticipated that the contract of Mr. Dobson would be declared invalid by the Second Comptroller; but this did not happen.

An inspector was authorized by the Department under the contract with Mr. Dobson, and the blankets received and used without complaint, so far as the Secretary has any knowledge.

All of which is respectfully submitted.

JOHN W. NOBLE,
Secretary.

THE PRESIDENT OF THE SENATE.

DEPARTMENT OF THE INTERIOR,
Office of Indian Affairs, Washington, August 14, 1890.

SIR: I have the honor to acknowledge the receipt of a Senate resolution, referred by you on the 11th instant, to the effect "that the Secretary of the Interior be directed to transmit to the Senate the correspondence between his office and that of the Commissioner of Indian Affairs concerning the award of contract for the supply of blankets for the Indian service for the fiscal year 1889," and to say that there was no correspondence of the character referred to for the fiscal year 1889. Since the receipt of the above resolution I have had a conversation with Senator Plumb, who introduced the resolution, and he informs me that what he desired was the correspondence had between the Department and this office on the above subject for the fiscal year 1890, and in compliance therewith I have the honor to inclose herewith copies of said papers.

It is proper to add that the letter of the Commissioner of Indian Affairs of May 20, 1889, referred to in the letter of the honorable Secretary dated May 22, 1889 (page 6, of the correspondence herewith), directing the rejection of all bids for blankets, is supposed to have been written in New York and sent direct to the honorable Secretary, as there appears to be no copy here. The original should be in the Department file.

The Senate resolution is herewith returned.

Very respectfully,

T. J. MORGAN,
Commissioner.

THE SECRETARY OF THE INTERIOR.

WAREHOUSE NOS. 65 AND 67 WOOSTER STREET,
New York, May 14, 1889.

SIR: By your reference of the 22d ult., I am in receipt, for report, of a communication from John Dobson, of Philadelphia, Pa., in relation to his contract for Indian blankets for the fiscal year ending June 30, 1889, claiming the sum of \$6,326.79, on account of damages sustained in tearing certain blankets furnished under his contract while undergoing inspection, and for amount deducted on account of inferiority in the blankets and difference in price between those purchased by this office in open market and contract rate.

Without going into any detailed statement as to the action taken by the Department and this office in relation to blankets purchased in open

market and deductions made on such as were inferior to the samples on which the contract was awarded, I would respectfully state that the action had been taken upon full consideration by the Department and this office, and the deductions made were considered proper, and if Mr. Dobson claims that injustice has been done him the courts are open to him; but the case should not be re-opened by the executive branch of the Government.

As regards his claim for blankets torn and damaged in the inspection, I would say that no blankets were torn except such as were absolutely required in a proper examination of the blankets furnished under his contract, and as under a ruling of the accounting officers of the Treasury no claim for damages can be considered by the executive department, but such must be left for the determination of the courts or Congress, I respectfully recommend that Mr. Dobson be notified of this, and no action in regard to the allowance of his claim be taken by the Department.

The papers in the case are herewith returned.

Very respectfully,

JOHN H. OBERLY,
Commissioner.

Hon. JOHN W. NOBLE,
Secretary of the Interior.

WAREHOUSE, NOS. 65 AND 67 WOOSTER STREET,
New York, May 14, 1889.

SIR: In connection with the letter addressed to you this day in relation to the claim of John Dobson for damages, etc., under his contract with the Indian Office for the fiscal year ending June 30, 1889, I would respectfully report that at the opening of bids for goods and supplies for the fiscal year 1890 bids were received for furnishing 16,000 blankets, of various sizes and weights, as required for the service. One of the bids received was from John Dobson.

The Indian Office has had several difficulties in regard to the delivery by him of blankets under contracts. In 1885 the blankets furnished by him were not up to sample, and deductions amounting to several thousands of dollars were made from the amount due Dobson on account of the inferiority of the blankets furnished to the samples on which the award was made.

Last year, as the records of the Department and the Indian Office show, great difficulty was had in making the contractor furnish blankets according to contract and samples.

When I took charge of the Indian Office, about the middle of October last, Mr. Dobson had furnished only a small quantity of blankets which were up to the sample on which the award had been made. In an interview with him shortly after taking charge of the Indian Office he claimed that the inspector, J. W. Mather, was hostile to him and did not give his blankets proper inspection. To leave no ground for complaint of unfair treatment I authorized members of the purchasing committee of the Board of Indian Commissioners to select and nominate to me a competent person as an additional inspector, and afterwards three other persons as inspectors, as is fully shown by a communication addressed by me to the Secretary of the Interior in December last. All these nominees were appointed inspectors by me and entered upon the performance of their duties, and it was only after considerable delay,

and after inspection of the blankets by the Board of Indian Commissioners and the purchase of a large number of blankets in open market at Dobson's expense, that this office was enabled in the middle of January last to ship the majority of the blankets to the several agencies; and had it not been for the mild winter great suffering would have occurred among the Indians on account of this failure to furnish proper blankets in time to ship them to agencies.

Therefore, as soon as bids had been opened and it was ascertained that Mr. Dobson was again a bidder, I verbally requested such members of the Board of Indian Commissioners as were present at the opening of bids to have a meeting of the board at an early day to consider what action should be taken on the Dobson bid. As no meeting was held by the board, as verbally requested, I addressed on the 4th instant a letter to the secretary of that board, requesting him to call a meeting of the board. (See copy of letter herewith, A.) The secretary complied with the request, and a meeting was held on the 9th instant, and after consultation the board passed resolutions which are embodied in the inclosed official report of the secretary of the board, dated the 10th instant, and addressed to you. The board advises, in view of the limited competition, that all proposals now received be rejected, and that by re-advertisement a more general competition be invited, or that the lowest bid now received be accepted, a special inspector of blankets be appointed, and the contractor be required to deliver blankets equal in all respects to the sample upon which the contract shall be awarded.

In regard to the limited competition mentioned by the board, I would state that while it is true that only three bids were received, it is equally true that for the last ten years or more there were never received more than that number of bids (3), some years only one, most of the years only two. At the recent opening of bids for supplying the Army only three bids were received. It is a fact that very few manufacturers care to bid for the delivery of blankets to the Government, either for the Army or the Indian service.

I caused all blankets submitted with the bids as opened on the 23d ult. to be numbered with the same number as that of the bid under which the said samples were furnished, and submitted the same to the inspector of dry goods at this warehouse, Thomas Walsh. After a careful examination by him, and without his knowing the names of the bidders whose blankets were examined, he selected those submitted by John Dobson, not only as being the best in quality, but the cheapest in price; the prices of Dobson being about 12 per cent. lower than those of the next lowest bidder, and the difference in cost between those submitted by Dobson and the next lowest bidder would be about \$8,000. But in view of the failure of Mr. Dobson to furnish, during several years, blankets up to sample, and of the difficulties had with him last year and of his apparent determination, as disclosed by his communication of the 19th ultimo, to claim damages, etc., from the Government for what I believe was proper action, and what was certainly liberal action toward him taken by the Department last fall in regard to his contract for 1889, I am unwilling to make the award to him without submitting the matter to the Department and receiving its instructions; and in this connection I have the honor to submit the following recommendations:

First, that all bids received for blankets be rejected and a re-advertisement for new bids be had; that in said advertisement bidders be required to state the mill or mills which are to manufacture the blank-

ets bid for, and notice be given that the Commissioner of Indian Affairs will reserve the right (the exercise of which shall be guarantied by the bidder) to authorize an inspector to visit the said mill at any time during the process of the manufacture of said blankets and inspect the material out of which they are being manufactured.

Second. That if there is any law or implied authority thereof, under which the Department may debar a bidder from bidding for furnishing goods and supplies for the Indian service, John Dobson be debarred from bidding under the advertisement above suggested.

In this connection your attention is called to the provision of the specifications and instructions that are made a part of the proposal for bids and of any contract executed thereunder, to wit:

No bids will be considered from persons who have in any respect defaulted in any bid heretofore made.

If, however, the Department shall conclude that it would be for the best interests of the service to accept the bid of Dobson (who is about \$8,000 lower in his bid than that of the next lowest bidder) upon the samples furnished, which are, as has been said, in every way suitable for the service and of better quality than the samples of the next highest bidder, and indeed of the highest bidder, it is suggested that the interests of the Government might be protected by great carefulness in the inspection, and in the event of such award to Dobson I recommend—

That proper action be thereupon immediately taken to have the War Department detail an officer of the Army known to be an expert inspector of blankets of large experience in such inspections, with proper instruments, etc., or some other such competent blanket expert who may be in the service of such Department, to inspect and test the blankets that may be furnished by said Dobson, so that it may thus be definitely determined that the deliveries under his contract are according to the samples furnished by said Dobson and now in the warehouse; such inspector to be given authority to accept or reject the blankets, or any of them, as up to or below the said samples; all expenses of said inspector to be paid by the Indian Office.

As this is a matter which requires immediate attention I respectfully ask that you give me your instruction at your earliest convenience.

Very respectfully,

JOHN H. OBERLY,
Commissioner.

Hon. JOHN W. NOBLE,
Secretary of the Interior, Washington, D. C.

I have carefully read the foregoing letter of the Commissioner and concur in the recommendations made by him.

WILLIAM W. JUNKIN,
United States Indian Inspector and Special Disbursing Agent.

DEPARTMENT OF THE INTERIOR,
Washington, May 22, 1889.

SIR: I have considered your letter of the 20th instant in relation to the bids received for blankets for the Indian service and the awards to be made, and you are hereby authorized to reject all bids for blankets which were opened on the 23d ultimo.

You will prepare a new advertisement calling for proposals for blank-

ets, and forward the same to me, with such recommendations as to its publication as you may deem proper. In opening bids you will, subject to the provisions of circular order of the Department dated July 11, 1883, reject any bid that may be made under the advertisement hereby authorized and directed.

Very respectfully,

GEO. CHANDLER,
Acting Secretary.

Hon. JOHN H. OBERLY,
Commissioner of Indian Affairs, 65 Wooster Street, New York.

WAREHOUSE, NOS. 65 AND 67 WOOSTER STREET,
New York, May 22, 1889.

SIR: In compliance with your instructions, I have the honor to inclose herewith copy of an advertisement calling for proposals for blankets for the Indian service, to be opened in Washington, D. C., June 20 next, and respectfully recommend that authority be granted this office to cause the same to be published in the following newspapers: Tribune, of New York, daily from date of receipt to June 20; Press, of Philadelphia, daily from date of receipt to June 20, and to enter into contract for furnishing of said blankets subject to the approval of the Department.

Very respectfully, etc.,

JNO. H. OBERLY,
Commissioner.

Hon. JOHN W. NOBLE,
Secretary of the Interior, Washington, D. C.

DEPARTMENT OF THE INTERIOR, OFFICE OF INDIAN AFFAIRS,
Washington, D. C., May 22, 1889.

Sealed proposals indorsed "Proposals for blankets," and addressed to the Commissioner of Indian Affairs, Washington, D. C., will be received until 1 p. m. of Thursday, June 20, 1889, for furnishing the Indian service about 16,100 pairs of all wool, indigo blue, Mackinac blankets, consisting of 340 pairs 2-point, 42 by 56 inches, to weigh 5½ pounds each; 3,025 pairs 2½-point, 54 by 56 inches, to weigh 6 pounds each, and 12,735 pairs 3-point, 60 by 72 inches, to weigh 8 pounds each. Bidders are required to furnish samples of the articles bid for; such samples to be delivered at the Indian Office in Washington at or before the time specified for opening bids. Bids not accompanied by samples will not be considered. The bidder to whom the contract may be awarded will be required to furnish the name of the mill or mills at which the blankets are to be manufactured. The Government reserves the right (the exercise of which right shall be guaranteed by the contractor) to authorize an inspector to visit the said mills at any time during the process of the manufacture of said blankets and inspect the material out of which they are being made. The right is also reserved to reject any bid, or any part of any bid, if in the judgment of the Commissioner of Indian Affairs such rejection will be in the best interest of the Government. Each bid must be accompanied by a certified check or draft upon some United States depository, payable to the order of the Commissioner of Indian Affairs, which check or draft shall be not less than five per centum on the amount of supplies proposed to be furnished, and shall be forfeited to the United States in case any bidder receiving an award shall fail to execute promptly a contract, with good and sufficient sureties, according to the terms of his bid; otherwise to be returned to the bidder. Bids must be made for the delivery of the blankets at the warehouse for Indian supplies in New York City, and all must be delivered not later than sixty days after approval of the contract. Bids not accompanied by a check or draft will not be considered.

JOHN H. OBERLY,
Commissioner.

DEPARTMENT OF THE INTERIOR,
Washington, May 22, 1889.

SIR: In compliance with the recommendation contained in your communication of the 22d instant, authority is hereby granted for your office to publish an advertisement in the form submitted, in the daily editions of the Tribune, of New York City, and the Press, of Philadelphia, Pa., from the date of the receipt of the advertisement to June 20 proximo, inclusive, inviting proposals for blankets for the Indian service; and to enter into contract therefor, subject to the approval of this Department.

Authorities for the publication of the said advertisement in the newspapers named are inclosed herewith, which you will please forward as addressed.

The inclosures of your letter are herewith returned.

Very respectfully,

GEO. CHANDLER,
Acting Secretary.

The COMMISSIONER OF INDIAN AFFAIRS.

DEAR SIR: Referring to the inclosed advertisement of the Commissioner of Indian Affairs, dated May 22, 1889, inviting proposals for about 16,100 pairs of indigo-blue Mackinac blankets, I would respectfully state that, in response to an advertisement of the Commissioner of Indian Affairs dated March 25, 1889, I did propose to furnish, in compliance with the terms of that advertisement and in accordance with the terms of the specifications appended to my bid, the following blankets at the prices thereto affixed:

	Per pair.
341 pairs 2-point indigo-blue M. blankets, 5½ pounds.....	\$2. 25½
2,915 pairs 2½-point indigo-blue M. blankets, 6 pounds.....	2. 58
12,738 pairs 3-point indigo-blue M. blankets, 8 pounds.....	3. 48

which is at the rate of 43 cents a pound. Other bidders proposed furnishing these blankets at 48 cents, 49.69 cents, and 53 cents a pound. That all the bidders, myself included, agreed in the proposals to deliver blankets equal in all respects to the sample blankets which accompanied the bids. These bids were publicly read, and it was found that I was the lowest bidder by five cents a pound; a difference between my bid and the next lowest existing of \$6,059.21 in favor of the Government. When the samples submitted were examined, those submitted by me were found to be the best, and better adapted to the Indian service than the others.

I respectfully submit that, being the lowest and best bidder, I am clearly entitled to the award under my bid, which was submitted under the previous advertisement of March 25, and if such award is made to me I hereby propose to comply with all the conditions of the new advertisement of May 22, and to make this latter advertisement of May 2 as much a part of the contract as was the former advertisement of March 25.

Yours, respectfully,

JOHN DOBSON,

General BUSSEY,

Assistant Secretary of the Interior, Washington, D. C.

[Indorsement.]

DEPARTMENT OF THE INTERIOR, *June 6, 1889.*

Respectfully referred to the Commissioner of Indian Affairs with instructions and directions as follows:

That Department authority of May 22, 1889, to reject all bids for blankets and to re-advertise for new proposals therefor, and to reject bids under the provisions of circular order of July 11, 1883, is hereby revoked.

Second. That the award of the blanket contract shall be made to John Dobson as the lowest and best bidder, subject to the conditions of the advertisement for new proposals dated May 22, 1889, and to the propositions contained in the within communications from said Dobson.

This action is taken because, upon further and more careful consideration of the subject, I am convinced that the award should have been made to Mr. Dobson, and as it is desirable and necessary to procure and deliver the blankets before the cold weather comes, all unnecessary delay should be avoided.

JOHN W. NOBLE,
Secretary.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, D. C., May 22, 1889.

Sealed proposals indorsed "Proposals for Blankets," and addressed to the Commissioner of Indian Affairs, Washington, D. C., will be received until 1 p. m. of Thursday, June 20, 1889, for furnishing the Indian service about 16,100 pairs of all-wool, indigo blue, Mackinac blankets, consisting of 340 pairs 2-point, 42 by 56 inches, to weigh $5\frac{1}{2}$ pounds each; 3,025 pairs $2\frac{1}{2}$ -point, 54 by 66 inches, to weigh 6 pounds each; and 12,735 pairs 3-point, 60 by 72 inches, to weigh 8 pounds each. Bidders are required to furnish samples of the articles bid for, such samples to be delivered at the Indian Office in Washington at or before the time specified for opening bids. Bids not accompanied by samples will not be considered. The bidder to whom the contract may be awarded will be required to furnish the name of the mill or mills at which the blankets are to be manufactured. The Government reserves the right (the exercise of which right shall be guaranteed by the contractor) to authorize an inspector to visit the said mills at any time during the process of the manufacture of said blankets and inspect the material out of which they are being made. The right is also reserved to reject any bid, or any part of any bid, if in the judgment of the Commissioner of Indian Affairs such rejection will be in the best interest of the Government. Each bid must be accompanied by a certified check or draft upon some United States depository, payable to the order of the Commissioner of Indian Affairs; which check or draft shall not be less than 5 per centum on the amount of supplies proposed to be furnished, and shall be forfeited to the United States in case any bidder receiving an award shall fail to execute promptly a contract, with good and sufficient sureties, according to the terms of his bid; otherwise, to be returned to the bidder. Bids must be made for the delivery of the blankets at the warehouse for Indian supplies in New York city, and all must be delivered not later than sixty days after approval of the contract. Bids not accompanied by a check or draft will not be considered.

JOHN H. OBERLY,
Commissioner.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, D. C., June 8, 1889.

SIR: I have the honor to acknowledge receipt of your indorsement of the 6th instant upon a communication of John Dobson relative to his bid for blankets under advertisement of March 25, 1889; revoking Department authority of the 25th ult., to reject all bids for blankets

and to re-advertise for new proposals, and directing that the contract for blankets for the Indian service be made to Mr. Dobson as the lowest and best bidder, subject to the conditions of the advertisement for new proposals dated May 22, 1889, and to the propositions contained in the communication of Mr. Dobson upon which your indorsement is made.

In view of this decision, the publication of the advertisement of May 22 should be discontinued, and notice of its revocation be given to the public. I therefore recommend that authority be granted this office to publish a notice, according to the accompanying form, three times each, in the New York Tribune and Philadelphia Press, the papers in which the advertisement is now in course of publication.

Very respectfully,

R. V. BELT,
Acting Commissioner.

The SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR,
Washington, June 8, 1889.

SIR: In compliance with the recommendation contained in your communication of this date, authority is hereby granted for your office to publish a notice, as per the form herewith returned, three times each, in the Tribune, of New York City, and the Press, of Philadelphia, Pa., giving notice of revocation of advertisement published by your office under date of May 22, 1889, inviting proposals for blankets for the Indian service.

Very respectfully,

JOHN W. NOBLE,
Secretary.

The COMMISSIONER OF INDIAN AFFAIRS.

[Advertisement.]

DEPARTMENT OF THE INTERIOR, OFFICE OF INDIAN AFFAIRS,
Washington, D. C., June 10, 1889.

By the direction of the Secretary of the Interior the advertisement published by this office under date of May 22, 1889, inviting proposals for blankets for the Indian service, is hereby revoked. Bids for said blankets will therefore not be received.

R. V. BELT,
Acting Commissioner.

CONTRACT FOR GOODS OR SUPPLIES.

This agreement, made and entered into this 13th day of June, one thousand eight hundred and eighty-nine, by and between R. V. Belt, Acting Commissioner of Indian Affairs, for and on behalf of the United States of America, party of the first part, and John Dobson, of Philadelphia, Pa., party of the second part, for himself, his heirs, executors, administrators, and assigns—

Witnesseth, That the said parties have covenanted and agreed, and by these presents do covenant and agree, to and with each other, as follows:

ARTICLE 1. That the said party of the second part, for himself, his heirs, executors, and administrators, hereby agrees to furnish and deliver in the Government warehouse, (a) or such other place or places in the city of New York as may be designated by the said party of the first part, to such agent of the United States as may be designated to receive the same, and within (see schedule C) days from the date hereof, in accordance with the terms of the advertisement of the said party of the first part,

dated March 25, 1889, hereto attached, and which is made a part of this agreement, such of the articles named in the said schedule (which schedule it is agreed shall also form a part of this agreement) as may not be stricken therefrom by the party of the first part before he signs this agreement.

ARTICLE 2. That the party of the first part, however, reserves the right to require a greater or less quantity, not exceeding twenty-five per cent. in either case, of any of the goods or supplies than that specified in the said schedule, at the price or prices therein stated.

ARTICLE 3. That the party of the first part agrees to pay, or cause to be paid, to the said party of the second part, his heirs, executors, or administrators, for all the goods and supplies received under this agreement, at the rate or price affixed to each article designated in said schedule; payment to be made on presentation, at the Office of Indian Affairs, of invoices of the goods received after the same shall have been properly approved.

ARTICLE 4. That the party of the second part agrees that all goods or supplies to be furnished under this agreement shall be properly packed and marked, ready for shipment, according to directions, which will be given by said party of the first part.

ARTICLE 5. That it is agreed by and between the parties hereto that in case of any failure of the part of the second part to deliver the articles named in the annexed schedule when called upon to do so, the party of the first part, or his authorized agent or agents, shall have the right to purchase or cause to be purchased the same in open market, or otherwise, and to charge the difference in price or prices, if any, to the part of the second part; and it is also agreed that all goods or supplies offered for acceptance under this agreement shall be inspected by the samples thereof submitted with the proposals, by persons properly designated for that purpose by the party of the first part, and at such place as he may designate; and if, on such inspection, any of the said goods or supplies shall fail to conform to or equal said samples, the same shall be rejected, and the party of the first part shall have authority to require of the said part of the second part the delivery, within five days after such rejection, of proper goods or supplies in the place of those rejected.

In case said part of the second part shall fail to deliver such proper goods or supplies within the said period of five days, then the said party of the first part shall have the right to purchase, or cause to be purchased, in open market or otherwise, such goods or supplies as may be required to supply the deficiency. And the part of the second part and—securities shall be held accountable, under the bond which may be given for the faithful performance of this agreement, for any excess in the cost of the goods or supplies so purchased over and above the cost of the same at the price or prices designated in the schedule hereunto annexed: *Provided*, That in the case of any article to be furnished under this contract, if the quality of that offered shall be inferior to the standard of the sample upon which the contract was awarded, and the necessities of the service be such as to compel the party of the first part, or his agents, to accept the article or articles offered, then the same may be received subject to the inspection and test of a competent inspector, to be designated by the party of the first part, to determine the percentage of value less than the sample aforesaid, and upon whose findings payment shall be made at a percentage of deduction twice greater than the difference in value between the articles so furnished and the price herein agreed to be paid.

ARTICLE 6. That it is agreed, however, that, before the United States shall be bound by this agreement, the party of the second part shall furnish a joint and several bond, in the sum of twenty-seven (27) thousand dollars, duly executed, with two or more good and sufficient sureties; said bond to be conditioned for the faithful performance of this agreement, in all its particulars, by the said party of the second part.

ARTICLE 7. That it is agreed by the party of the second part that, in conformity to the requirements of section 3737 of the Revised Statutes, neither this agreement nor any interest therein shall be transferred to any other party or parties, and that any such transfer shall cause the annulment of the agreement so far as the United States are concerned; all rights of action, however, for any branch of this agreement by the contracting parties being reserved to the United States.

ARTICLE 8. That it is agreed by and between the parties hereto that this contract may, by mutual consent, be changed, altered, modified, or abridged, in whole or in part; but no such change, alteration, modification, or abrogation shall entitle the said party of the second part to increased rates of compensation over the rates herein specified.

ARTICLE 9. That it is further agreed by and between the parties hereto that no member of or delegate to Congress, officer, agent, or employé of the Government, shall be admitted to any share or part in this agreement, or derive any benefit to arise therefrom.

(d) If the contractor delivers at the agencies, this clause should be stricken out.

ARTICLE 10. That this agreement is made subject to the approval of the Secretary of the Interior.

In witness whereof the undersigned have hereunto subscribed their names and affixed their seals the day and year first above written.

For and on behalf of the United States:

Witness:

JOHN A. BECKWITH, }
N. B. LOVEJOY, }
THOS. F. BARRY, }
S. ALLEN EVANS. }

R. V. BELT, [SEAL.]
Acting Commissioner of Indian Affairs.
JOHN DOBSON, [SEAL.]
217 Chestnut Str. et.

Read and follow directions for making out contracts.

Contracts must be executed in quadruplicate.

Contracts executed by firms must be signed by *each* member of the firm. The ordinary firm-signature is not sufficient. The "party of the second part," in the body of the contract, should be indicated thus: "John Smith, James Brown, and Wm. Jones, partners in business under the firm-name of Smith, Brown and Co."

Contracts executed by the president, secretary, or other officer of an incorporated company must be accompanied by a certificate of the board of directors or executive committee thereof, under seal, that the officer so signing was duly authorized to make contract for and on behalf of the company, and that the act of such officer in executing the contract is binding upon the company represented by him. The manner of affixing the signature must be as follows: "The Moline Wagon Co., by John Doe, vice-president."

The Christian names of *all* parties appearing herein must be written and signed in full, and the signature of each contracting party witnessed by at least two persons. The signature of a witness should be written opposite to the signature witnessed.

An impression or seal of some adhesive substance must be affixed to the signature of each principal.

Contracts signed by an agent of a firm, or by one member for another, or by an attorney, are not valid unless the same be accompanied by a duly executed power of attorney from the party or parties for whom such agent, member, or attorney shall sign (of date even with or prior—except in the case of a general power of attorney—to the date of the instrument), which power of attorney must set forth specifically the particular purpose for which it was given by describing in full the names of the contracting parties, and the date and object of the contract.

The post-office address of contracting parties and witnesses must be given.

Quantities should be stated in words as well as figures.

Point and time of delivery must be distinctly stated.

All dates must be carefully supplied.

The advertisement under which award is made must form part of and be attached to each contract.

Erasures, interlineations, or other irregularities must be explained over the signatures and seals of the parties to this instrument.

Any contract not made in conformity with the above instructions will be rejected, and a corrected one required before any deliveries of supplies will be permitted thereunder.

When *Indian agents use this form* of blank, the number of copies indicated in the "brief" will be made and disposed of as there directed.

One bond only is required with each contract.

Bonds must be executed before the clerk of a court of record; or, if before other officer, his authority must be attested by the certificate of such clerk of court.

Schedule of articles referred to in the foregoing contract between ———, Commissioner of Indian Affairs and John Dobson.

Quantity.	Articles.	Price per pair.	Total.
Three hundred and forty-one (341) pairs.	Blankets, 2 point, 42x56 inches, 5½ lbs..	\$2.25	\$769.70
Three thousand and twenty-five (3,025) pairs.	Blankets, 2½ point, 54x66 inches, 6 lbs..	2.58	7,804.50
Twelve thousand seven hundred and thirty-eight (12,738) pairs.	Blankets, 3 point, 60x72 inches, 8 lbs...	3.48	44,328.24
Total	52,902.44

The above blankets to be as per sample, and to be delivered within sixty days after approval of the contract.

ARTICLE 11. That it is agreed by the party of the second part that he will furnish the name of the mill or mills at which the blankets specified herein are to be manufactured; and the party of the second part further agrees to guarantee the right of the Government to have an inspector visit said mills at any time during the process of the manufacture of the said blankets and inspect the material out of which they are being made.

For and on behalf of the United States:

Witness:

J. A. BECKWITH, }
WM. H. GOINES, }
S. ALLEN EVANS, }
THOS. BARRY. }

R. V. BELT, [SEAL.]
Acting Commissioner of Indian Affairs.
JOHN DOBSON. [SEAL.]

(Indorsed:) Articles of agreement for the delivery of goods or supplies between R. V. Belt, Act'g Commissioner of Indian Affairs, and John Dobson, for blankets, dated June 13, '89, expires June 30, '90. Bond, \$27,000.

DEPARTMENT OF THE INTERIOR,
Washington, July 1, 1889.

The within contract is hereby approved.

JOHN W. NOBLE,
Secretary.

[Telegram.]

DEPARTMENT OF THE INTERIOR,
Washington, May 18, 1889.

Commissioner writes suggesting extraordinary conditions in Dobson contract for blankets because Dobson failed in his contract last year. He is lowest bidder. Examine and see if he ought to have the contract or not.

General CYRUS BUSSEY,
Murray Hill Hotel, New York City.

JOHN W. NOBLE,
Secretary.

[Extract as to "Blankets," from Report of Commissioner of Indian Affairs.]

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, June 27, 1889.

SIR: I submit this as my report of the opening of bids and the making of awards for goods and supplies for the Indian service for the fiscal year 1890.

In accordance with advertisement regularly made, bids were opened by me at the New York City Indian warehouse, on April 23, last, in the presence of certain members of the Board of Indian Commissioners; of Hon. W. W. Junkin, Indian inspector, acting as your representative; and of a number of bidders. Before opening the bids, I gave notice that awards would be made to the lowest bidders offering goods and supplies best adapted for the service. Five hundred and fifteen bids were received—over fifty more than were ever received before.

As soon as the bids had been numbered and abstracted, and inspectors had been appointed, the examination of the samples was begun. In all cases I carefully examined the samples submitted by each bidder; and with the advice of the expert inspector, and the assistance of your representative, Indian Inspector Junkin, and of such members of the Board of Indian Commissioners as were present from day to day, awards were made on such goods and supplies as appeared to us to be the best

and cheapest for the service. I also availed myself of the long experience of the financial clerk of this Bureau, and frequently consulted with Mr. Robbins, the superintendent of the warehouse. I am enabled to say that on every award made my judgment was in agreement with that of your representative, Inspector Junkin, and with that of the Indian Board present, as well as with that of the expert inspector.

I may here state that, in making awards for the Indian service, under the prevailing loose and fraud-inviting system, the greatest difficulty grows out of the fact there are no standard articles by which bidders may be guided in making bids. Each bidder submits such samples as he desires to submit; and it happened during the recent awarding, as it happens every year, that several bidders submitted goods exactly the same in quality, weight, color, etc., at widely different prices, but which were not adapted to the service. To this difficulty I called attention in the last annual report of the Commissioner, and recommended an appropriation of \$1,510 to enable the Commissioner to have standard samples prepared, etc. This appropriation was made, but too late to have the samples prepared.

But, notwithstanding the difficulties experienced in making awards, they were all made with deliberation—carefully, with means at hand of arriving at correct and unbiased conclusions that the Department does not possess and can not procure; and I therefore desire to enter my protest against the action taken by you in revoking the authority given to me on May 22 last to reject the bids on blankets, and also against your action in changing certain awards made by me.

To a statement of my reasons for this protest I respectfully invite your attention.

(1) *Blankets.*—On May 14 last I made a report to you in relation to the bids for blankets. I stated that one of the bids, the lowest and accompanied by the best samples, was by John Dobson, of Philadelphia, who for several years, and especially during the current fiscal year, had as the contractor for blankets given much trouble to this office, and put it to great expense by offering blankets not up to the samples upon which he had been awarded his contracts, and also by delays in delivery, causing suffering among the Indians.

On the date above named I also inclosed to you resolutions of the Board of Indian Commissioners advising you to authorize and direct a rejection of the bids for blankets, and a re-advertisement for proposals. At the same time I also advised you to the same effect. Shortly afterwards Assistant Secretary Bussey visited the New York warehouse and personally inspected the samples of blankets that had been offered. After careful examination of them all, he decided that those offered by Bidder No. 108, B. Y. Pippey, of New York, were the best and cheapest for the service, although the cost of them would have been in the aggregate about \$8,000 more than of those offered by Bidder No. 82, John Dobson, and he proposed to take the responsibility of directing that the award should be made to Pippey, but he afterwards concluded to concur in my recommendation to you, which was also that of the Board of Indian Commissioners, that all bids should be rejected and new ones called for.

Accordingly, on May 22 last, the Department authorized and directed me as follows:

You are hereby authorized to reject all bids for blankets which were opened on the 23d ultimo. You will prepare a new advertisement, calling for proposals for blankets, etc. * * * In opening bids you will, subject to the provisions of circular order of the Department dated July 11, 1883, reject any bid that may be made under the advertisement hereby authorized and directed.

The circular order thus referred to reads as follows :

From and after this date no proposal will be received for consideration by this Department from any person, firm, or corporation in default in the performance of any contract or agreement made with the Department, or who has failed to perform the same to the satisfaction of the Department; nor will any contract hereafter be awarded to such person, firm, or corporation.

Forms of advertisement were accordingly prepared and published in the New York Tribune and the Philadelphia Press, and notice was given to all bidders for blankets that their bids had been rejected. Their certified checks were returned to them.

On the 6th instant, a letter from John Dobson, addressed to the Department, was referred to me, indorsed, upon the suggestion of Assistant Secretary Bussey, with the following instructions and directions :

First. That Department authority of May 22, 1889, to reject all bids for blankets, and to re-advertise for new proposals therefor, and to reject bids under the provisions of circular order of July 11, 1883, is hereby revoked.

Second. That the award for the blanket contract shall be made to John Dobson as the lowest and best bidder, subject to the conditions of the advertisement for new proposals dated May 22, 1889, and to the propositions contained in the within communication from said Dobson.

What happened between May 20, when Assistant Secretary Bussey was anxious to take the responsibility of making the award to Pippey as the best and cheapest bidder, and June 6, when the above instructions were issued under the Assistant Secretary's advice, I do not know ; but I do know that Dobson is not a better bidder now than he was when I rejected his bid on May 23 last, and I therefore desire that my opinion shall be made of record, that the action of the Department in thus making the award for blankets to Dobson is not in the best interest of the service, and is contrary to the provisions of circular order of July 11, 1883, which has never been revoked. Further, that the awarding of the contract for blankets to Dobson, after notice given to all bidders of the rejection of their bids, and re-advertisement for new proposals, was an injustice to all citizens who desired to offer bids under the new advertisement. I add, that it is possible if not probable, that the contract with Dobson will be declared invalid by the Second Comptroller.

* * * * *

I respectfully ask you to have this letter placed on the files in the Department.

I have the honor to be, your obedient servant,

JOHN H. OBERLY,
Commissioner.

Hon. J. W. NOBLE,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR.

Washington, December 22, 1888.

SIR : I inclose herewith for your information the report of the Board of Indian Commissioners, dated December 22, 1888, relating to the subject of inspection and reception of blankets for the Indian service offered for acceptance under the contract made by your office with John Dobson on June 30, 1888, and approved by the Department on July 26, 1888.

I concur in the following conclusions of the Board :

First. "To return to the contractor the fifty-four bales of blankets rejected by three or more inspectors."

Second. "To receive and ship to the agencies the ninety-four bales of blankets accepted by individual inspectors."

Third. "That the one hundred and seventy-six bales in which the Board found a large majority of the blankets fully equal to the samples in strength and quality, but in which some blankets were found inferior to the samples, be accepted at a valuation of $5\frac{1}{2}$ per cent. less than sample, as determined by the Board, provided that payment therefor be made under the contract as required by the stipulation contained in article 5 thereof at a percentage of deduction twice greater—that is $10\frac{1}{2}$ per cent.—than the difference in value between the articles so furnished and the price therein agreed to be paid.

If those blankets which you are advised to reject and those which you are advised to accept and make payment for at a reduction from the contract rates, as above indicated, were offered by the contractor under notice from your office, given in accordance with the contract, in lieu of other blankets previously offered by him, which were rejected because they failed to conform to or equal the sample, then and in that case, you are authorized to go into open market and purchase the necessary blankets of the quality and character prescribed by the contract to supply the deficiency caused by the failure of the contractor to comply with the contract, charging to, and collecting from him, under the stipulations of the contract, any excess in the cost of the blankets so purchased over and above the cost of the same at the prices designated in the contract.

If, however, these last mentioned blankets—that is, those to be rejected and those to be accepted at a reduction from the contract prices—were not offered under proper notice given by your office under the contract in lieu of blankets previously offered and rejected as not equal to sample, but only as a delivery under the contract, then and in that case, it seems to me, the contractor should be at once notified and required to deliver blankets equal to the samples sufficient to complete his contract, and if he fails to do this within the period of five days from date of said notice that you should proceed to purchase the necessary blankets in open market as provided in the contract with the utmost expedition.

Very respectfully,

WM. F. VILAS,
Secretary.

The COMMISSIONER OF INDIAN AFFAIRS.

BOARD OF INDIAN COMMISSIONERS,
Washington, D. C., December 22, 1888.

SIR: At the request of the Commissioner of Indian Affairs, in a letter dated December 15, 1888, inclosing a letter from you of the same date, I called a meeting of the Board of Indian Commissioners, and I now transmit to you the following report of the doings of the Board at that meeting.

Very respectfully,

E. WHITTLESEY,
Secretary.

The SECRETARY OF THE INTERIOR.

NEW YORK, December 19, 1888.

The Board of Indian Commissioners met at 65 Wooster street at 10 a. m.

Present: Commissioners Fisk, Smiley, Gates, McMichael, Charlton, Waldby, Lidgerwood, and Whittlesey.

Telegrams were received from Messrs. Morgan and Walker that it would be impossible to attend.

All the papers and correspondence relating to the inspection and reception of blankets, under the contract of John Dobson, were laid before the board and carefully considered and discussed. At 2.30 p. m. a recess was taken till 4.30, at which hour the board reassembled at the Westminster Hotel and the discussion was continued till 10.30, when it was voted unanimously that the Commissioner of Indian Affairs be advised, first, to return to the contractor the 54 bales of blankets rejected by three or more inspectors.

Second, to receive and ship to the agencies the 94 bales accepted by individual inspectors. It was also voted that the 176 bales accepted by a majority of inspectors, after having been rejected by one or two, be reinspected by the board, and if found suitable for the Indian service, accepted; but if any of the blankets are found to be inferior to the samples upon which the contract was awarded, the percentage of discount upon the said 176 bales, on account of such inferiority, shall be determined.

The board then, at 11 p. m., adjourned to meet at the warehouse, 65 Wooster street, at 10 a. m. to-morrow.

THURSDAY, December 20, 1888.

The board met at 65 Wooster street at 10 a. m., and proceeded, with the assistance of a well-known competent expert, to inspect the above-named 176 bales, and found a large majority of the blankets fully equal to the samples in strength and quality; but some blankets were found inferior to the samples, and after consultation it was adjudged that these percentage of th be fixed at $5\frac{1}{2}$ per cent. upon the entire lot of 176 bales; and the Commissioner was advised to receive them at that discount, as provided for in the contract.

E. WHITTLESEY,
Secretary.